

**SFA**

BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 285

Sponsor: Senator Christopher D. Dingell

Committee: Human Resources and Senior Citizens

Date Completed: 4-24-89

SUMMARY OF SENATE BILL 285 as introduced 4-6-89:

The bill would amend the Michigan Employment Security Act to exclude from the Act's definition of "employment" service performed by a prisoner who resided in a community correction center, resident home, halfway house, or other similar facility housing an inmate population under the jurisdiction of the Department of Corrections, and to exclude from the Act's definition of "wages" remuneration paid by an employer to a prisoner residing in such a facility.

MCL 421.43 and 421.44

Legislative Analyst: L. Burghardt

FISCAL IMPACT

If parolees or halfway house inmates were exempt from the benefit provisions of the Michigan Employment Security Act, employers of these individuals would not be required to pay unemployment insurance taxes on that portion of their payroll. There would be some cost savings for those government agencies that employ these individuals, but the amount of possible savings cannot be estimated at this time. An employer pays a payroll tax of 6.2% on the first \$7,000 of wages paid to each employee.

Fiscal Analyst: K. Lindquist

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